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This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 2162

LISTED MARCH 25th, 1964
159,000 5½% Cumulative Redeemable Convertible First Preference Shares of \$8 par value each of which 1,083 shares are subject to issuance.
Ticker abbreviation "MTX PR"
Post section 1.2
461,509 Common Shares without par value of which 276,500 shares are subject to issuance.
Ticker abbreviation "MTX"
Post section 1.2

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

MONTEX HOLDINGS LIMITED

A company incorporated under the laws of Ontario
by letters patent dated November 1, 1963.

CAPITAL SECURITIES AS AT FEBRUARY 24, 1964

	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
5½% Cumulative Redeemable Convertible First Preference Shares with a par value of \$8 each	159,000 shs.	157,917	159,000 shs.
Common Shares without par value	500,000 shs. (1)(2)	185,009 shs. (1)	461,509 shs. (3)

- (1) Each 5½% Cumulative Redeemable Convertible First Preference Share is convertible into one common share. To the extent that such preference shares are converted into common shares The Corporations Act of the Province of Ontario provides that the number of shares of each class affected by the conversion is changed accordingly.
- (2) Of which 117,500 common shares are reserved for issue upon the exercise of share purchase warrants to purchase common shares at a price of \$7 per share until January 15, 1969 and at a price of \$9 per share thereafter and until January 15, 1974.
- (3) Includes the 185,009 outstanding common shares, the 117,500 common shares reserved for issue upon the exercise of share purchase warrants and 159,000 common shares which may result from the conversion of the 5½% Cumulative Redeemable Convertible First Preference Shares.

1.

APPLICATION

MONTEX HOLDINGS LIMITED (hereinafter referred to as the "Company") hereby makes application for a listing on The Toronto Stock Exchange of —

- (a) 159,000 5½ % Cumulative Redeemable Convertible First Preference Shares with a par value of \$8 each in the capital of the Company of which 157,917 shares were issued and outstanding at February 24, 1964,
- (b) 185,009 common shares without par value in the capital of the Company all of which are outstanding as fully paid and non-assessable,
- (c) 276,500 common shares without par value (subject to issuance) representing 117,500 common shares which have been reserved for issuance against the exercise of share purchase warrants and 159,000 common shares which may result from the conversion of the 5½ % Cumulative Redeemable Convertible First Preference Shares,
- (d) share purchase warrants in respect of 117,500 common shares.

2.

REFERENCE TO PROSPECTUS

Reference is made to the attached prospectus dated January 27, 1964 in respect of an offering of 135,000 common shares and share purchase warrants in respect of 67,500 common shares a copy of which prospectus is incorporated herein and made a part hereto.

3.

OPINION OF COUNSEL

Messrs. Bassel, Sullivan, Holland & Lawson, 11 Adelaide Street West, Toronto, Ontario, counsel to the Company, are filing in support of this application an opinion stating, among other things, that:

- (a) the Company is a duly incorporated, organized and subsisting corporation in good standing under the laws of the Province of Ontario;
- (b) the 157,917 5½ % Cumulative Redeemable Convertible First Preference Shares with a par value of \$8 each and the 185,009 common shares without par value in the capital of the Company have been duly and validly allotted and issued and are outstanding as fully paid and non-assessable.

4.

LISTING ON OTHER STOCK EXCHANGES

No application has been made by the Company to list any of the shares in the capital of the Company on any other stock exchange.

5.

STATUS UNDER THE SECURITIES ACT

The Company has filed a prospectus dated January 27, 1964 under The Securities Act of the Province of Ontario, the Securities Act of the Province of Saskatchewan, The Securities Act of the Province of Alberta, The Securities Act of the Province of British Columbia, The Quebec Securities Act and The Security Frauds Prevention Act of the Province of New Brunswick in connection with an offering of 135,000 common shares and share purchase warrants in respect of 67,500 common shares. The said issue was also qualified for sale to the public in the Provinces of Manitoba and Nova Scotia. The Company has also filed a prospectus dated January 27, 1964 under the Securities Act of the Province of Ontario in respect of an offering of share purchase warrants in respect of an additional 50,000 common shares. The Company has also filed a prospectus dated December 5, 1963 under The Securities Act of the Province of Ontario in respect of an offer made by the Company to the holders of the outstanding common shares in the capital of The Monarch Knitting Company, Limited (other than residents of the United States of America or of any territory or possession thereof) to acquire from such holders all the outstanding common shares in the capital of The Monarch Knitting Company, Limited at a consideration for each such share of \$8 cash in Canadian funds and one (1) 5½ % Cumulative Redeemable Convertible First Preference Share with a par value of \$8 in the capital of the Company.

6.

FISCAL YEAR

The fiscal year of the Company ends on the last day of December in each year.

7.

ANNUAL MEETING

The annual meeting of shareholders may be held at such place within Ontario at such time and on such day in each year as the board of directors or the President or a Vice-President who is a director may from time to time determine. The Company has not yet held an annual meeting.

This prospectus is not and under no circumstances is to be construed as a public offering of any of these securities for sale in the United States of America or in the territories or possessions thereof.

NEW ISSUES

MONTEX HOLDINGS LIMITED

135,000 Common Shares
(without par value)

and

Share Purchase Warrants in respect of 67,500 Common Shares

Offered in units of 2 Common Shares and a Share Purchase Warrant in respect of 1 Common Share

The Share Purchase Warrants will entitle the bearers thereof to purchase the number of Common Shares without par value in the capital of the Company, as presently constituted, specified therein at any time up to and including January 15, 1974 at the following prices:

\$7.00 per share up to and including January 15, 1969;

\$9.00 per share after January 15, 1969 and up to and including January 15, 1974.

The Indenture pursuant to which the Share Purchase Warrants will be issued will contain provisions for adjustment of the purchase price and of the number of shares issuable pursuant to the privilege attaching to the Share Purchase Warrants in certain events more fully referred to herein.

**TRANSFER AGENT AND REGISTRAR
FOR THE COMMON SHARES:**

**THE ROYAL TRUST COMPANY,
TORONTO AND MONTREAL**

The listing of the Common Shares on the Toronto Stock Exchange has been approved subject to the filing of documents and evidence of satisfactory distribution.

We, as principals, offer these units, each consisting of 2 Common Shares and a Share Purchase Warrant in respect of 1 Common Share, subject to prior sale and change in price, if, as and when issued and accepted by us and subject to the approval of all legal matters on behalf of the Company by Messrs. Bassel, Sullivan, Holland & Lawson, Toronto, Ontario, and on our behalf by Messrs. McCarthy & McCarthy, Toronto, Ontario.

PRICE: \$12.00 per unit

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

It is expected that interim share certificates for the Common Shares and definitive Share Purchase Warrants will be available for delivery on or about February 7, 1964.

The following information has been supplied by Mr. D. R. Annett, the President of Montex Holdings Limited.

The Company

Montex Holdings Limited (hereinafter referred to as "Montex" or the "Company") was incorporated under the laws of Ontario by letters patent dated November 1, 1963. Montex was formed to act as an investment and holding company specializing in investments in the textile industry and associated fields. It will be the policy of Montex, wherever possible, to obtain a substantial or controlling interest in each of the companies in which it invests and to provide management and financial assistance, if necessary, to such companies.

As a first step in the investment program of Montex, an offer, dated December 5, 1963, was made by Montex to acquire from the holders thereof all the outstanding common shares of The Monarch Knitting Company, Limited (hereinafter referred to as "Monarch Knitting") at a consideration for each such share of \$8.00 cash and the issue of one 5½% cumulative redeemable convertible first preference share with a par value of \$8.00 in the capital of Montex.

A total of 157,826 common shares in the capital of Monarch Knitting, being approximately 99.26% of the 159,000 outstanding common shares, were acquired by Montex pursuant to the said offer. The date for acceptance of the offer expired on January 24, 1964 but Montex may, in its discretion, accept common shares of Monarch Knitting which may be tendered after that date.

The Monarch Knitting Company, Limited

Monarch Knitting was incorporated in 1912 and acquired the assets of a company of the same name which commenced operations in 1903.

Monarch Knitting manufactures cotton yarns, men's and boys' underwear, sweat shirts, hosiery and other similar lines. Hosiery is marketed under the trade names "Jockey", "Toughies", "Big M" and "Viyella"; underwear and other garments are marketed under the trade names "Jockey", "Toughies" and "Monarch Knit". In addition to its brand name products, Monarch Knitting also manufactures similar products under private labels for sale by department stores and wholesale distributors.

In the last few years, Monarch Knitting has been stressing the sale of its branded products since this portion of the business is more profitable than the sale of unbranded lines. In the branded lines, the Company competes mainly with Stanfields, Harvey Woods, and Penmans on the basis of quality, deliveries and service, rather than price. In unbranded products, price competition, particularly from low wage countries, is a significant factor.

Manufacturing operations are carried out in plants located at Ajax, Ontario, where cotton yarns are spun, at Dunnville, Ontario, where underwear and outerwear are knitted and sewn, and at St. Catharines, Ontario, where hosiery is knitted and finished. Approximately 50% of the cotton yarns produced by Monarch Knitting is used in its operations at Dunnville and St. Catharines.

Monarch Knitting employs about 700 persons in its three factories and has about 80 in its offices, various sales departments and branch locations. The plants are unionized with the Textile Workers Union of America representing the factory employees.

It is the intent of the present management of Monarch Knitting to stress and accelerate the trend towards making it primarily a merchandising and marketing organization rather than a production oriented company. This trend will be accomplished by reviewing all operations; by stressing the more profitable lines; by considering carefully the merits of making or buying from other sources certain lines; and acquiring new products which round out and diversify present lines.

In line with this policy, negotiations have commenced which, if completed, will lead to the sale by Monarch Knitting of its Ajax plant and equipment and the related inventory. As a condition of any such sale, Monarch Knitting will require the new operator of this plant to enter into a long term contract to supply, at competitive prices, a specified minimum quantity of the cotton yarns required by Monarch Knitting in its operations at Dunnville and St. Catharines. The plant and equipment at Ajax is carried on the books of Monarch Knitting at a cost of \$2,505,201, and the accumulated depreciation with respect thereto as at September 30, 1963 is \$1,285,067. It is anticipated that if this plant is sold as a result of the present negotiations, the sale price will be not less than depreciated book value. That part of cash proceeds from the sale of this plant which is not applied, within six months, towards capital expenditures must be used to the extent necessary to redeem the outstanding Debentures of Monarch Knitting pursuant to the requirements of the Trust Deed under which said Debentures were issued.

Purpose of Issue

The net proceeds to Montex from the sale of the 135,000 common shares and 117,500 share purchase warrants (of which 67,500 will be issued with the said 135,000 common shares) proposed to be issued by Montex will be used to reduce the bank loan incurred by Montex to provide part of the cash portion of the purchase price of the common shares of Monarch Knitting.

Capitalization of Montex

(after giving effect to the present financing)

	AUTHORIZED	ISSUED
5½% Cumulative Redeemable Convertible First Preference Shares with a par value of \$8.00 each	159,000 shares	157,826 shares
Common Shares without par value	500,000 shares(1) (2)	185,009 shares(1)

- (1) Each 5½% cumulative redeemable convertible first preference share is convertible into one common share in the capital of Montex. To the extent that said preference shares are converted into common shares, The Corporations Act of the Province of Ontario provides that the number of shares of each class affected by the conversion is changed accordingly.
- (2) Of which 117,500 common shares will be reserved for issue upon the exercise of share purchase warrants to purchase common shares at a price of \$7.00 per share until January 15, 1969, and at \$9.00 per share thereafter and until January 15, 1974.

Earnings

The following report has been received from the auditors of Montex:

The Monarch Knitting Company, Limited

Statement of Income

For the Ten Years and Nine Months Ended September 30, 1963

Year-ended December 31	Income before deducting depreciation, interest and income taxes and before adjustment on sale of fixed assets	Provision for depreciation	Interest on long term indebtedness	Profit on sale of fixed assets	Income before deducting income taxes	Income taxes	Net income
1953.....	\$(211,758)	—	\$ 77,050	\$ 11,214	\$ (277,594)	—	\$ (277,594)
1954.....	(332,409)	—	73,762	31,435	(374,736)	—	(374,736)
1955.....	70,557	—	70,249	5,715	6,023	—	6,023
1956 (Note 1).	314,346	\$ 200,206	65,876	(61,738)	(13,474)	—	(13,474)
1957.....	435,962	275,400	62,177	—	98,385	—	98,385
1958.....	456,047	249,869	59,047	36,678	183,809	—	183,809
1959.....	532,116	232,035	54,303	—	245,778	\$ 98,500	147,278
1960.....	578,965	263,830	50,251	27,002	291,886	133,700	158,186
1961.....	827,845	384,680	46,507	11,455	408,113	185,000	223,113
1962.....	663,493	325,163	41,334	22,289	319,285	156,000	163,285
1963 (9 months ended Sept. 30)	431,068	219,580	27,000	660	185,148	86,800	98,348

NOTES

1. The loss on sale of fixed assets in 1956 amounting to \$61,738 which was charged against accumulated depreciation in that year, is included in this statement of income for comparative purposes.

2. Discounts on sinking fund debentures and preference shares purchased have been excluded from the above statement and are as follows:

1954	\$ 8,915	1959	\$12,206
1955	2,542	1960	8,587
1956	16,543	1961	6,884
1957	3,430	1962	2,312
1958	9,270	1963	3,325

3. Years 1953 to 1959 include Monarch Yarns Limited as a wholly owned subsidiary.

Auditors' Report

To the Directors

MONTEX HOLDINGS LIMITED:

We have examined the statement of income of The Monarch Knitting Company, Limited for the ten years and nine months ended September 30, 1963. In respect of the ten years ended December 31, 1962 we have relied upon the financial statements of The Monarch Knitting Company, Limited as examined and reported upon by that company's auditors. For the nine months' period ended September 30, 1963 we have made an examination which included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion based on the reports of other accountants and our examination as referred to above, the statement of income presents fairly the results of the operations of The Monarch Knitting Company, Limited for the ten years and nine months ended September 30, 1963 in accordance with generally accepted accounting principles applied on a consistent basis throughout, except that depreciation was not provided for in certain years.

(signed) WINSPEAR, HIGGINS, STEVENSON and DOANE,

Toronto, Canada,
January 27, 1964.

Chartered Accountants.

Montex Holdings Limited
Pro Forma Consolidated Balance Sheet
as at September 30, 1963
(See Note 1)

ASSETS

CURRENT	
Cash	\$ 1,260
Accounts receivable less allowance of \$24,000 for doubtful accounts	1,482,171
Amounts receivable within one year under contracts for sale of fixed assets	19,862
Inventories, at the lower of cost or market (Note 2)	2,126,224
Prepaid expenses	31,882
Total current assets	<u>\$ 3,661,399</u>
SUNDRY ASSETS AND DEFERRED CHARGES	
Amounts receivable from sale of fixed assets less portion to be received within one year	\$ 17,008
Investment in subsidiary (Note 3)	30,500
Cash surrender value of life insurance	21,000
Deferred charges	18,323
	<u>\$ 86,831</u>
FIXED, AT COST	
Land	\$ 47,258
Buildings and railway siding	1,198,868
Machinery, equipment, furniture and fixtures	4,211,218
	<u>\$ 5,457,344</u>
Less: Accumulated depreciation	3,344,851
	<u>\$ 2,112,493</u>
INCORPORATION AND ISSUE EXPENSES	<u>\$ 45,000</u>
	<u><u>\$ 5,905,723</u></u>

LIABILITIES

CURRENT	
Bank indebtedness — secured	\$ 1,235,471
Accounts payable and accrued charges	375,097
Income and other taxes payable	108,164
Dividends payable	18,260
Serial debentures and sinking fund payment due within one year	132,000
Accrued interest on outstanding debentures	17,081
Total current liabilities	<u>\$ 1,886,073</u>
DEFERRED INCOME TAXES (Note 4)	<u>\$ 148,000</u>
FUNDED DEBT	
3¾% to 4% serial debentures due \$95,000 each year 1964-6 and \$75,000 in 1967	\$ 360,000
4¾% sinking fund debentures maturing in 1971	436,000
	<u>\$ 796,000</u>
Less: Debentures and sinking fund payment included in current liabilities	132,000
	<u>\$ 664,000</u>
MINORITY INTEREST	
Comprising 2,720 4½% cumulative redeemable sinking fund preference shares (par value of \$100 each redeemable at \$103) and 1,174 common shares without par value of The Monarch Knitting Company, Limited	<u>\$ 296,344</u>
SHAREHOLDERS' EQUITY	
Capital stock (Note 5)	
5½% cumulative redeemable convertible first preference shares with a par value of \$8.00 each (redeemable at \$8.40)	
Authorized — 159,000 shares	
Issued and outstanding — 157,826 shares	\$ 1,262,608
Common shares without par value	
Authorized — 500,000 shares	
Issued and outstanding — 185,009 shares	908,509
Excess of book value of equity in The Monarch Knitting Company, Limited at date of acquisition as a subsidiary over cost of investment	740,189
	<u>\$ 2,911,306</u>
	<u><u>\$ 5,905,723</u></u>

Approved on behalf of the Board:

(signed) D. R. ANNETT, Director.

(signed) G. W. SIDDALL, Director.

See notes and auditors' report.

Montex Holdings Limited

Notes to Pro Forma Consolidated Balance Sheet as at September 30, 1963

1. The pro forma consolidated balance sheet includes the assets and liabilities of The Monarch Knitting Company, Limited as at September 30, 1963 and is after giving effect to:
 - (a) the incorporation of Montex Holdings Limited on November 1, 1963,
 - (b) the issue and sale of 50,009 common shares without par value by private subscription for a total of \$150,009 cash,
 - (c) the acquisition of 157,826 common shares, being 99.26% of the then outstanding common shares of The Monarch Knitting Company, Limited, acquired to January 24, 1964, pursuant to an offer made to the shareholders of \$8 in cash and one \$8 par value 5½% cumulative redeemable convertible first preference share of Montex Holdings Limited for each share tendered, for a total of \$1,262,608 cash and 157,826 first preference shares having a total par value of \$1,262,608; effect is also given to the issuance after September 30, 1963 of 7,000 common shares of Monarch for \$56,000 under options held by employees as at that date,
 - (d) the subsequent issue and sale, pursuant to an underwriting agreement dated November 29, 1963 and made between Montex Holdings Limited and Annett & Company Limited, of 135,000 common shares without par value and warrants to purchase 117,500 such shares for a total of \$758,500 net cash, each warrant entitling the holder to purchase one additional such share at the price of \$7 until January 15, 1969 and \$9 thereafter and until January 15, 1974,
 - (e) receipt of bankers' advances of up to \$1,112,608, to be secured by the acquired shares of The Monarch Knitting Company, Limited, and the application of the net proceeds of the underwriting referred to in item (d) above, after payment of estimated expenses, to the reduction of said advances,
 - (f) payment of estimated expenses of \$45,000 relating to the above-noted transactions.
2. A physical inventory of materials, goods in process and finished goods was not taken as at September 30, 1963. It is the practice of The Monarch Knitting Company, Limited to take a physical inventory once each year as at December 31st, the end of its fiscal year and to rely upon standard costing procedures for accounting purposes during the year. Detailed records of quantities are maintained currently for part of the inventory.
3. Investment in subsidiary under Sundry Assets is the cost of shares of a wholly owned subsidiary previously engaged in providing housing for employees. Its accounts have not been consolidated because of the nature of its business and because the amounts involved are not significant. The corresponding equity in its net assets as at September 30, 1963 was approximately \$61,600.
4. Deferred income taxes represent the provision made for income taxes deferred as a result of claiming more depreciation for income tax purposes than is recorded in the accounts. For the nine months' period ended September 30, 1963, \$11,000 has been transferred to current taxes payable.
5. Each preference share will be convertible into one common share at any time at the option of the holder.

During 1966 and each year thereafter with possible exceptions the company shall purchase for cancellation 3,750 preference shares to the extent available at prices not exceeding the par value.

There will be outstanding share purchase warrants entitling the holders to purchase a total of 117,500 common shares at \$7 per share until January 15, 1969 and \$9 per share thereafter and until January 15, 1974.

Auditors' Report

To the Directors

MONTEX HOLDINGS LIMITED:

We have examined the pro forma consolidated balance sheet of Montex Holdings Limited including as a subsidiary The Monarch Knitting Company, Limited as at September 30, 1963 after giving effect to the transactions set out in Note 1. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Reference is made to Note 2 in which it is stated that a physical inventory of materials, goods in process and finished goods was not taken as at September 30, 1963. Subject to the significant limitations imposed by not taking a physical inventory we have by physical inspection, comparative analysis and other means satisfied ourselves that the inventory value as stated bears a reasonable relationship to corresponding values at other dates considered with regard to recent operations and conditions.

In our opinion subject to the foregoing the pro forma consolidated balance sheet presents fairly the financial position of the company including The Monarch Knitting Company, Limited as a subsidiary, as at September 30, 1963 after giving effect to the transactions referred to in Note 1, in accordance with generally accepted accounting principles applied in respect of the subsidiary on a basis consistent with that of the preceding year.

(signed) WINSPEAR, HIGGINS, STEVENSON and DOANE,

Toronto, Canada,
January 27, 1964.

Chartered Accountants.

Statutory Information

1. The full name of the Company is MONTEX HOLDINGS LIMITED (hereinafter referred to as the "Company") and the address of the head office of the Company is 25 Adelaide Street West, Toronto, Ontario.

2. The Company was incorporated under the laws of the Province of Ontario by letters patent dated November 1, 1963.

3. The general nature of the business transacted or to be transacted by the Company is that of a management, investment and holding company.

4. The name in full, present occupation and home address of each of the directors and officers of the Company are as follows:

Officers

KASIMIR LUDWIG MARKON.....	Chairman of the Board.....	500 Avenue Road, Toronto, Ontario
DOUGLAS RUDYARD ANNETT.....	President	80 Glengrove Avenue West, Toronto, Ontario
ROY ALFRED KENNEDY.....	Executive Vice-President.....	26 Edenbridge Drive, Toronto, Ontario
GEORGE WILLIAM SIDDALL.....	Vice-President and Treasurer.....	53 Prince George Drive, Toronto, Ontario
JOHN PETER BASSEL.....	Secretary	287 Forest Hill Road, Toronto, Ontario
MATTHEW GAASENBEEK.....	Assistant Treasurer.....	242 Homewood Avenue, Willowdale, Ontario

Directors

DOUGLAS RUDYARD ANNETT.....	Investment Dealer.....	80 Glengrove Avenue West, Toronto, Ontario
JOHN PETER BASSEL.....	Solicitor	287 Forest Hill Road, Toronto, Ontario
JOHN WILLIAM BLAIN.....	Solicitor	81 Golfdale Road, Toronto, Ontario
CHARLES FOWLER WILLIAM BURNS.....	Investment Dealer.....	R.R. No. 3, King, Ontario
ROY ALFRED KENNEDY.....	Executive	26 Edenbridge Drive, Toronto, Ontario
EDWARD CLIVE KERR.....	Retired	4540 Prince of Wales Ave., Montreal, Quebec
KASIMIR LUDWIG MARKON.....	Executive	500 Avenue Road, Toronto, Ontario
ALEXANDER SACHS.....	Consulting Economist.....	1200 Fifth Avenue, New York, New York
GEORGE WILLIAM SIDDALL.....	Executive	53 Prince George Drive, Toronto, Ontario

5. The auditors of the Company are Messrs. Winspear, Higgins, Stevenson and Doane, Chartered Accountants, 36 Toronto Street, Toronto, Ontario.

6. The Royal Trust Company, at its stock transfer offices in the cities of Toronto and Montreal, is the transfer agent and registrar for the common shares in the capital of the Company.

Canada Permanent Trust Company, at its stock transfer offices in the cities of Toronto and Montreal, is the transfer agent and registrar for the First Preference Shares in the capital of the Company.

7. The authorized capital of the Company consists of 159,000 5½% cumulative redeemable convertible first preference shares with a par value of \$8.00 each (herein referred to as "First Preference Shares") and 500,000 common shares without par value, of which, at the date hereof, 157,826 First Preference Shares and 50,009 common shares have been issued and are outstanding as fully paid.

8. The following is a description of the respective voting rights, preferences, conversion and exchange rights, rights to dividends, profits or capital of each class of shares in the capital of the Company, including redemption rights and rights on liquidation or distribution of capital assets.

The 159,000 First Preference Shares have attached thereto the following preferences, rights, conditions, restrictions, limitations and prohibitions:

- (1) The holders of the First Preference Shares shall be entitled to receive and the Company shall pay thereon as and when declared by the board of directors out of the moneys of the Company properly applicable to the payment of dividends a fixed cumulative preferential cash dividend of Nineteen cents (19c) per share payable on the first day of April, A.D. 1964, and thereafter to fixed cumulative preferential cash dividends at the rate of Forty-four cents (44c) per share per annum payable quarterly on the first days of January, April, July and October in each year with the first of such quarterly dividends to be payable on the first day of July, A.D. 1964; such dividends shall accrue from such date or dates, not later than six (6) months after the respective dates of issue, as may in the case of each issue be determined by the board of directors of the Company or in case no date be so determined then from the date of allotment; warrants or cheques of the Company payable at par at any branch of the Company's bankers for the time being in Canada shall be issued in respect of such dividends; if on any dividend payment date the dividend payable on such date is not paid in full on all the First Preference Shares then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates determined by the board of directors of the Company on which the Company shall have sufficient

moneys properly applicable to the payment of the same; the holders of the First Preference Shares shall not be entitled to any dividends other than or in excess of the cash dividends hereinbefore provided for;

- (2) In the event of the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the First Preference Shares shall be entitled to receive the amount paid up on such shares, together with all unpaid preferential dividends (which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid up to the date of distribution) and, if such liquidation, dissolution, winding up or distribution be voluntary, a premium of five per cent (5%) of the amount paid up on such shares, before any amount shall be paid on any property or assets of the Company distributed to the holders of any common shares or shares of any other class ranking junior to the First Preference Shares; after payment to the holders of the First Preference Shares of the amounts so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Company;
- (3) Subject to the provisions of clause (7) hereof, the Company may at any time or times purchase (if obtainable) for cancellation the whole or any part of the First Preference Shares outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the First Preference Shares outstanding at the lowest price at which, in the opinion of the directors, such shares are obtainable but not exceeding an amount equal to the amount paid up thereon, together with a premium of five per cent (5%) of such amount plus costs of purchase and all unpaid preferential dividends (which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which dividends have been paid up to the date of purchase); if upon any invitation for tenders under the provisions of this clause the Company shall receive tenders of First Preference Shares at the same lowest price which the Company may be willing to pay in an aggregate number greater than the number for which the Company is prepared to accept tenders, the First Preference Shares so tendered shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of First Preference Shares so tendered by each of the holders of the First Preference Shares who submitted tenders at the said same lowest price;
- (4) Subject to the provisions of clause (7) hereof, the Company may upon giving notice as hereinafter provided redeem at any time the whole or from time to time any part of the then outstanding First Preference Shares on payment for each share to be redeemed of an amount equal to the amount paid up thereon, together with a premium of five per cent (5%) of such amount and all unpaid preferential dividends (which for such purpose shall be calculated as if the dividends on the First Preference Shares were accruing for the period from the expiration of the last quarterly period for which dividends have been paid up to the date of such redemption);
- (5) In any case of redemption of First Preference Shares under the provisions of clause (4) hereof, the Company shall at least thirty (30) days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of First Preference Shares to be redeemed a notice in writing of the intention of the Company to redeem such First Preference Shares; such notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Company or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one (1) or more of such holders shall not affect the validity of such redemption; such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the shares held by the person to whom it is addressed is to be redeemed the number thereof so to be redeemed; on or after the date so specified for redemption the Company shall pay or cause to be paid to or to the order of the registered holders of the First Preference Shares to be redeemed the redemption price on presentation and surrender at the head office of the Company or any other place within Canada designated in such notice of the certificates for the First Preference Shares called for redemption; such payment shall be made by cheques payable at par at any branch of the Company's bankers for the time being in Canada; if a part only of the First Preference Shares represented by any certificate be redeemed, a new certificate for the balance shall be issued at the expense of the Company; from and after the date specified in any such notice, the First Preference Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected; the Company shall have the right at any time after the mailing of notice of its intention to redeem any First Preference Shares as aforesaid to deposit the redemption price of the shares so called for redemption or of such of the said shares represented by certificates as have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such First Preference Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the First Preference Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the said certificates held by them respectively;
- (6) The holders of the First Preference Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the Company or to vote at any such meeting (but shall be entitled to receive notice of meetings of shareholders of the Company called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof) unless and until the Company from time to time shall fail to pay in the aggregate eight (8) quarterly dividends on the First Preference Shares on the dates on which the same should be paid according to the terms thereof and unless and until eight (8) quarterly dividends on such shares shall remain outstanding and be unpaid whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Company properly applicable to

the payment of dividends; thereafter but only so long as any dividends on the First Preference Shares remain in arrears the holders of the First Preference Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Company and shall be entitled to one (1) vote in respect of each First Preference Share held and shall be entitled, voting separately and exclusively as a class, to elect two (2) members of the board of directors of the Company if the board consists of seven (7) or fewer directors or three (3) members of the board of directors if the board consists of more than seven (7) directors; nothing herein contained shall be deemed to limit the right of the Company from time to time to increase or decrease the number of its directors; holders of common shares shall be entitled to one (1) vote for each common share held by them at all meetings of the shareholders of the Company;

Notwithstanding anything contained in the by-laws of the Company, the term of office of all persons who may be directors of the Company at any time when the right to elect directors shall accrue to the holders of First Preference Shares as herein provided, or who may be appointed as directors thereafter and before a meeting of shareholders shall have been held, shall terminate upon the election of directors at the next annual meeting of shareholders or at a general meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than twenty (20) days' written notice and which shall be called by the secretary of the Company upon the written request of the holders of record of at least one-tenth (1/10) of the outstanding First Preference Shares; in default of the calling of such general meeting by the secretary within five (5) days after the making of such request, such meeting may be called by any holder of record of First Preference Shares;

Any vacancy or vacancies occurring among members of the board elected by the holders of First Preference Shares, voting separately and exclusively as a class, in accordance with the foregoing provisions may be filled by the board of directors with the consent and approval of the remaining director or directors elected by the holders of First Preference Shares, voting separately and exclusively as a class, but if there be no such remaining director or directors the board may elect or appoint sufficient holders of First Preference Shares to fill the vacancy or vacancies; whether or not such vacancy or vacancies is or are so filled by the board, the holders of record of at least one-tenth (1/10) of the outstanding First Preference Shares shall have the right to require the secretary of the Company to call a meeting of the holders of First Preference Shares for the purpose of filling the vacancy or vacancies or replacing all or any of the persons elected or appointed to fill such vacancy or vacancies and the provisions of the last preceding paragraph shall apply with respect to the calling of any such meeting;

Notwithstanding anything contained in the by-laws of the Company (i) upon any termination of the voting rights of the holders of the First Preference Shares, the term of office of the directors elected or appointed to represent the holders of First Preference Shares exclusively shall forthwith terminate and (ii) the holding of one (1) First Preference Share shall be sufficient to qualify a person for election or appointment as a director of the Company to represent the holders of First Preference Shares exclusively;

- (7) No dividends shall at any time be declared or paid on or set apart for the common shares or any of them or any other shares of the Company ranking junior to the First Preference Shares nor shall the Company call for redemption and/or purchase any First Preference Shares less than the total amount then outstanding unless all dividends up to and including the dividend payable for the last completed quarter on the First Preference Shares then issued and outstanding shall have been declared and paid or provided for at the date of such declaration or payment or setting apart or call for redemption or purchase;
- (8)
 - (a) The holders of First Preference Shares shall have the right at any time (subject as hereinafter provided) to convert fully paid First Preference Shares into common shares without par value of the Company (as the same shall be constituted at the time of conversion) on the basis of one (1) common share for each First Preference Share;
 - (b) The conversion right herein provided for may be exercised by notice in writing given to the transfer agent of the Company for the First Preference Shares at its principal transfer office in the said City of Toronto, or to such other transfer agent at such other city or cities as the Company may from time to time appoint, accompanied by the certificate or certificates representing First Preference Shares in respect of which the holder thereof desires to exercise such right of conversion; such notice shall be signed by such holder or his agent and shall specify the number of First Preference Shares which the holder desires to have converted; if less than all the First Preference Shares represented by any certificate or certificates accompanying any such notice are to be converted, the holder shall be entitled to receive, at the expense of the Company, a new certificate representing the First Preference Shares comprised in the certificate or certificates surrendered as aforesaid which are not to be converted;
 - (c) Subject to the provisions of sub-clause (g) hereof, upon the conversion of any First Preference Shares there shall be no payment or adjustment by the Company or by any holder of First Preference Shares on account of any dividends either on the First Preference Shares so converted or on the common shares resulting from such conversion;
 - (d) The said right of conversion shall, notwithstanding anything herein contained, cease and terminate at the close of business on the third business day prior to the date fixed for redemption of any First Preference Shares, provided, however, that if the Company shall fail to redeem such First Preference Shares in accordance with the notice of redemption the right of conversion shall thereupon be restored;
 - (e) On any conversion of First Preference Shares the share certificates for common shares of the Company resulting therefrom shall be issued in the name of the registered holder of the First Preference Shares converted or in such name or names as such registered holder may direct in writing (either in the notice referred to in sub-clause (b) hereof or otherwise), provided that such registered holder shall pay any applicable security transfer taxes;
 - (f) Subject as hereinafter provided in this sub-clause (f), the right of a holder of First Preference Shares to convert the same into common shares shall be deemed to have been exercised, and the registered holders of First Preference Shares to be converted (or any person or persons in whose

name or names any such registered holder of First Preference Shares shall have directed certificates representing common shares to be issued as provided in sub-clause (e) hereof) shall be deemed to have become holders of common shares of record of the Company for all purposes, on the respective dates of surrender of certificates representing the First Preference Shares to be converted accompanied by notice in writing as provided in sub-clause (b) hereof, notwithstanding any delay in the delivery of certificates representing the common shares into which such First Preference Shares have been converted; but should any certificates representing First Preference Shares be duly surrendered for conversion during a period when the registers of transfers of common shares are properly closed, the registered holders thereof (or other person or persons as aforesaid) shall be deemed to become holders of common shares of record immediately upon the re-opening of such registers of transfers;

- (g) (i) In the event of any subdivision and/or change of the common shares of the Company at any time into a greater number and/or a different class or classes of shares, the holder of any First Preference Shares exercising the conversion right attaching thereto at any time after such subdivision and/or change shall be entitled to such additional number and/or different class or classes of shares as would have resulted from such subdivision and/or change if the right of conversion had been exercised prior to the date of such subdivision and/or change;
 - (ii) In the event of any consolidation and/or change of the common shares of the Company at any time into a lesser number and/or different class or classes of shares, the holder of any First Preference Shares exercising the conversion right attaching thereto at any time after such consolidation and/or change shall be entitled to such lesser number and/or different class or classes of shares as would have resulted from such consolidation and/or change if the right of conversion had been exercised prior to the date of such consolidation and/or change;
 - (iii) If the holder of any First Preference Shares shall exercise the conversion right attaching thereto at any time after the payment by the Company of any dividend on the common shares payable in shares of the Company or a dividend on the common shares payable at the option of the holders thereof either in shares of the Company or in cash, such holder shall be entitled to, in addition to the number of common shares which he would have been entitled to on the exercise of such right of conversion of such First Preference Shares if such dividend had not been paid, such additional number of shares as would have been payable on the common shares which would have resulted from the exercise of such right of conversion if they had been outstanding on the record date for the payment of such dividend;
 - (iv) If any question shall at any time arise with respect to adjustments of the conversion privilege as aforesaid, such question shall be conclusively determined by the auditors of the Company and any such determination shall be binding upon the Company and all transfer agents and all shareholders of the Company; and
 - (v) If the Company proposes to issue subscription warrants, or other rights, to the holders of its common shares generally to purchase shares of the Company, the Company shall so notify each registered holder of First Preference Shares by written notice given (in the manner provided in clause (5) hereof for the giving of notice of redemption) at least ten (10) days prior to the date fixed by the Company as the record date in connection with the issue of such subscription warrants or other rights to purchase shares;
 - (h) The Company shall not issue fractional shares upon any conversion but in lieu thereof the Company shall issue bearer non-voting and non-dividend-bearing fractional certificates in a form approved by the board of directors of the Company; and
 - (i) All shares resulting from any conversion of First Preference Shares into common shares (including whole common shares resulting from the consolidation by the Company of fractions of shares which result from conversions) shall be deemed to be fully paid and non-assessable; nothing herein contained shall affect or restrict the right of the Company to increase the number of its common shares without par value in accordance with the provisions of The Corporations Act and to issue such shares from time to time;
- (9) So long as any of the First Preference Shares are outstanding the Company shall not
- (i) declare or pay any dividends (other than stock dividends in shares of the Company ranking junior to the First Preference Shares) on any of its shares at the time outstanding and ranking junior to the First Preference Shares; or
 - (ii) redeem, reduce, purchase or otherwise pay off any of its shares at any time outstanding and ranking junior to the First Preference Shares (except out of the proceeds of an issue of shares ranking junior to the First Preference Shares made at any time after the Thirtieth day of November, A.D. 1963, and prior to or contemporaneously with any such redemption, reduction, purchase or payment off but only to the extent that the proceeds of all such issues exceed in the aggregate One Million dollars (\$1,000,000)); or
 - (iii) elect to pay any tax on undistributed income under the provisions of Section 105 of the Income Tax Act (R.S.C. 1952, Chapter 148) as now enacted or as the same may from time to time be amended or re-enacted or elect to pay any tax under any similar provisions
- unless immediately after giving effect to such action the aggregate amount
- (a) declared and/or paid subsequent to the incorporation of the Company as dividends (other than stock dividends in shares of the Company ranking junior to the First Preference Shares) on all shares of all classes of the Company; and
 - (b) distributed and/or paid (on redemption, reduction, purchase or other payment off) subsequent to the incorporation of the Company in respect of all shares of all classes of the Company except to the extent that any such redemption, reduction, purchase or other payment off was made out of the proceeds of an issue of shares ranking junior to the First Preference Shares made at any time after the Thirtieth day of November, A.D. 1963, and prior to or contemporaneously with any such

redemption, reduction, purchase or payment off but only to the extent that the proceeds of all such issues exceed in the aggregate One Million dollars (\$1,000,000); and

(c) elected to be paid as tax as mentioned in sub-clause (iii) immediately preceding; and

(d) One Hundred Thousand dollars (\$100,000)

will not be more than the aggregate of the consolidated net earnings available for dividends of the Company and its subsidiaries plus the net cash proceeds to the Company of the issue of any of its shares ranking junior to the First Preference Shares after the Thirtieth day of November, A.D. 1963, but only to the extent that the proceeds of all such issues exceed in the aggregate One Million dollars (\$1,000,000); "consolidated net earnings available for dividends" of the Company and its subsidiaries means the consolidated net earnings of the Company and its subsidiaries calculated as provided in clause (11) hereof except that in calculating consolidated net earnings available for dividends the earnings or losses of any subsidiary shall be included from the beginning of the fiscal year of such subsidiary in which such subsidiary became a subsidiary;

For the purpose of this clause (9) and subject to the foregoing provisions hereof the directors of the Company may from time to time determine the consolidated net earnings available for dividends of the Company and its subsidiaries as of a date not more than ninety (90) days prior to the making of such determination and may determine such consolidated net earnings available for dividends to be not less than a stated amount without determining the exact amount thereof; in making any such determination the directors shall consider and may rely on the last available audited consolidated balance sheet of the Company and its subsidiaries and/or the last available audited balance sheet of the Company reported on by the Company's auditors and may consider and rely on the last available unaudited consolidated balance sheet of the Company and its subsidiaries and/or the last available unaudited balance sheet of the Company prepared by the accounting officers of the Company and upon any other financial statement, report or other data which they may consider reliable provided that the directors shall not make any such determination on the basis of any such balance sheet, statement, report or other data if to their knowledge any event has happened which would materially and adversely affect such consolidated net earnings available for dividends as determined on such basis; upon any determination having been made by the directors under the provisions hereof the consolidated net earnings available for dividends of the Company and its subsidiaries as at any date within a period of ninety (90) days following the date as of which such determination is made (unless any further determination of such consolidated net earnings available for dividends is so made within the said period) shall be conclusively deemed to be not less than the amount stated in such determination and such determination shall be conclusive and binding on the Company and the holders of shares of every class;

(10) Subject as hereinafter provided, so long as any of the First Preference Shares are outstanding, the Company shall during the period of twelve (12) months commencing on the first day of January, A.D. 1966, and during each and every period of twelve (12) months commencing on the first day of January thereafter purchase at such time or times during each such period of twelve (12) months as the Company in its discretion shall determine an aggregate of Three Thousand Seven Hundred and Fifty (3,750) First Preference Shares in the market in accordance with and subject to the provisions of clauses (3) and (7) hereof, provided that notwithstanding anything contained in this clause

(i) the Company shall not be obligated to purchase First Preference Shares in the market as aforesaid at a price greater than the amount paid up thereon plus costs of purchase;

(ii) the Company shall not be obligated to purchase more than Three Thousand Seven Hundred and Fifty (3,750) First Preference Shares in any of the said periods of twelve (12) months commencing on the first day of January;

(iii) any First Preference Shares purchased in accordance with the provisions of clause (3) hereof (and not pursuant to the obligation to purchase First Preference Shares in accordance with the provisions of this clause) or redeemed in accordance with the provisions of clause (4) hereof or converted into common shares in accordance with clause (8) hereof shall notwithstanding the cancellation thereof constitute a credit of a number of shares equal to the number of shares so purchased, redeemed or converted, as the case may be, which may at the election of the Company at any time or from time to time be used (to the extent not theretofore used) during any twelve (12) month period commencing on the first day of January to satisfy or reduce the obligation of the Company to purchase First Preference Shares during the said twelve (12) month period in accordance with the provisions of this clause;

(iv) if the Company shall not have purchased during the period of twelve (12) months commencing on the first day of January, A.D. 1966, or during any period of twelve (12) months commencing on the first day of January thereafter in accordance with the provisions of this clause an aggregate of Three Thousand Seven Hundred and Fifty (3,750) First Preference Shares or such lesser number of First Preference Shares as the Company shall be obligated to purchase during any such period of twelve (12) months after giving effect to any credit which the Company has elected to use in accordance with sub-clause (iii) of this clause, the Company shall (subject to the provisions of sub-clause (v) of this clause) during any two (2) consecutive weeks out of the thirty (30) days immediately following the end of the said period of twelve (12) months maintain a bid with an investment dealer or firm having membership on a recognized stock exchange to purchase at a price equal to the average price at which the First Preference Shares sold on the Toronto Stock Exchange during the preceding December but in any event at not more than the amount paid up thereon such number of First Preference Shares as shall be necessary to satisfy the obligation of the Company to purchase First Preference Shares in accordance with the provisions of this clause during the said period of twelve (12) months and the Company shall purchase all First Preference Shares which may be offered in response to such bid up to the number of First Preference Shares necessary to satisfy the obligation of the Company as aforesaid;

(v) if the consolidated net earnings (as herein defined) of the Company and its subsidiaries in any fiscal year, after deducting from such consolidated net earnings an amount equal to the aggregate

of all dividends paid or required to be paid in respect of such fiscal year upon all First Preference Shares outstanding during such fiscal year, shall be less than Thirty Thousand dollars (\$30,000), the Company shall not be required, in respect of its obligation to purchase First Preference Shares during the period of twelve (12) months commencing on the first day of January immediately following such fiscal year, to maintain the bid referred to in sub-clause (iv) of this clause;

- (vi) the Company shall not be in default of the obligation to purchase First Preference Shares provided for by this clause in the event the Company, in the reasonable exercise of its discretion aforesaid and by the purchase of First Preference Shares offered pursuant to the bid referred to in sub-clause (iv) of this clause, fails to purchase during any of the said periods of twelve (12) months an aggregate of Three Thousand Seven Hundred and Fifty (3,750) First Preference Shares or such lesser number of First Preference Shares, as the case may be, which the Company may be obligated to purchase after giving effect to any credit which the Company has elected to use in accordance with sub-clause (iii) of this clause;
- (11) Subject as hereinafter provided, so long as any of the First Preference Shares are outstanding, the Company shall not without, but may from time to time with, the approval of the holders of the First Preference Shares given as hereinafter specified,
- (a) issue or become liable on any funded indebtedness; or
 - (b) permit any subsidiary to guarantee any indebtedness or dividends of or give any other guarantee on behalf of any person, firm or corporation other than the Company; or
 - (c) sell or otherwise dispose of or permit any subsidiary to issue, sell or otherwise dispose of or to become liable on (except to the Company or to a subsidiary of which such subsidiary is a subsidiary) any funded indebtedness of a subsidiary; or
 - (d) sell or otherwise dispose of any funded indebtedness or shares of the designated subsidiary or permit the designated subsidiary to issue, sell or otherwise dispose of or to become liable on (except to the Company) any funded indebtedness of the designated subsidiary and will not permit the designated subsidiary to issue or sell (except to the Company) any shares of the designated subsidiary; or
 - (e) sell or otherwise dispose of or permit the designated subsidiary to sell or otherwise dispose of (except to the Company) by conveyance, transfer, lease or otherwise the assets of the Company or of the designated subsidiary, as the case may be, as an entirety or substantially as an entirety;
- provided always that the foregoing restrictions shall not apply to nor operate to prevent
- (i) the giving of security or securities (except on fixed assets) by the Company or a subsidiary to any bank or banks or to any other loaning institution for present or future debts or liabilities of the Company or such subsidiary to such bank or banks or loaning institution provided that such debts or liabilities do not constitute funded indebtedness; or
 - (ii) the deposit of cash or obligations of the Government of Canada in connection with contracts or tenders in the ordinary course of business or to secure workmen's compensation, surety or appeal bonds, costs of litigation when required by law, public and statutory obligations, liens or claims incident to current construction, mechanics', warehousemen's, carriers' and other similar liens; or
 - (iii) the extension, renewal or refunding by a subsidiary of any funded indebtedness of such subsidiary to the extent of the principal amount of such funded indebtedness at the time of such extension, renewal or refunding provided that such funded indebtedness was funded indebtedness of the subsidiary at the time when such subsidiary became a subsidiary; or
 - (iv) any subsidiary guaranteeing the obligations (other than funded indebtedness) of customers and suppliers in the ordinary course of business; or
 - (v) the extension, renewal or refunding by the Company of any funded indebtedness of the Company to the extent of the principal amount of such funded indebtedness at the time of such extension, renewal or refunding; or
 - (vi) the securing from time to time by the Company and/or by any subsidiary of any funded indebtedness permitted under sub-paragraphs (iii), or (v) of this paragraph;

Notwithstanding anything herein contained the foregoing restrictions shall not prevent or be so construed as to prevent the Company or its subsidiary companies creating, issuing or becoming liable on funded indebtedness, to the extent that the consolidated funded indebtedness of the Company and its subsidiary companies to be outstanding one (1) week after such creation, issuance or becoming liable, as the case may be, and irrespective of when such indebtedness or liability was incurred shall not thereby be increased to a sum greater than forty per cent (40%) of an amount determined by adding to the consolidated net tangible assets, as herein defined, of the Company and its subsidiary companies, the principal amount of all consolidated funded indebtedness of the Company and its subsidiary companies, which is to be outstanding one (1) week after such creation, issue or becoming liable, as the case may be, and the Company and/or any subsidiary may give security from time to time in respect of any such funded indebtedness;

"Consolidated net tangible assets" as used herein means current assets and all other assets of the Company and its subsidiary companies (including the proceeds or estimated proceeds of the funded indebtedness proposed to be issued under the provisions of this clause (11) or of the issue of any shares under, in either case, a contract providing for payment in cash within sixty (60) days after the date of such contract) except goodwill, leases, trade marks, formulae and shares in subsidiary companies and after deducting all liabilities of the Company and its subsidiary companies other than contingent liabilities (except to the extent that the directors with the approval of the auditors of the Company determine that provision should be made therefor) and other than liabilities to shareholders with

respect to capital, liabilities to surplus and reserves to the extent not required to be treated as liabilities in accordance with generally accepted accounting practice and other than any deferred credit in respect of or any provision for deferred taxes on income arising from the excess (less deficiencies) of any provisions for taxes on income for any fiscal period or periods over the amount of such taxes payable for any such fiscal period or periods because the provision for depreciation of buildings, plant and equipment recorded in the books of the Company and/or its subsidiaries in respect of such fiscal period or periods is or was less (or greater) than the capital cost allowance (or depreciation or similar allowance) in respect of such buildings, plant and equipment claimed or to be claimed as a deduction in determining taxes on income for such fiscal period or periods, the whole arrived at on a consolidated basis in accordance with generally accepted accounting practice; in calculating consolidated net tangible assets due allowance shall be made for the minority interest, if any, in any subsidiary;

“Funded indebtedness” as used herein means any indebtedness the principal amount of which by its terms is not payable on demand and matures more than twelve (12) months after the date of the creation or issuance thereof and any liability (contingent or otherwise) in respect of any guarantee by the Company or any subsidiary of any such indebtedness of any person, firm or corporation other than a subsidiary;

“Consolidated funded indebtedness” as used herein means the aggregate amount of all funded indebtedness of the Company and its subsidiaries arrived at on a consolidated basis in accordance with generally accepted accounting practice;

For the purposes of this clause (11) and subject to the foregoing provisions hereof, consolidated net tangible assets and the value thereof and consolidated funded indebtedness and the amount thereof shall be determined by the auditors of the Company who may adopt or give effect to any values, provisions or reserves appearing in the accounts of the Company or its subsidiaries, as the case may be, with such adjustments as such auditors may consider necessary and such auditors in so determining shall be deemed to be acting as experts and such determination by the auditors of the Company from time to time shall be deemed to be correct and shall be conclusive and binding on the Company and the holders of shares of every class;

“Subsidiary company” or “subsidiary” as used herein means (a) any corporation or company of which all the outstanding shares of each class of its shares are for the time being owned by or held for the Company and/or any other corporation or company in like relation to the Company and includes any corporation or company in like relation to a subsidiary; and (b) The Monarch Knitting Company, Limited (a company incorporated under the laws of the Province of Ontario by letters patent dated the sixth day of May, A.D. 1912,) forthwith upon the Company becoming the owner of more than fifty per cent (50%) of the outstanding voting shares of such company but only so long as more than fifty per cent (50%) of the outstanding voting shares of such company are owned by or held for the Company and/or any subsidiary of the Company; and (c) any corporation or company of which more than fifty per cent (50%) of the outstanding voting shares are for the time being owned by or held for the Company and/or any subsidiary of the Company if but only if the directors of the Company by resolution (passed either before or after fifty per cent (50%) of the outstanding voting shares of such corporation or company become owned by or held for the Company and/or any subsidiary of the Company) determine that such corporation or company shall be deemed to be a subsidiary of the Company and only so long as more than fifty per cent (50%) of the outstanding voting shares of such corporation or company are owned by or held for the Company and/or any subsidiary of the Company; any such resolution shall not be revocable and shall be conclusive and binding upon all parties in interest; “voting shares” as used in this definition means shares of any class carrying voting rights but shall not include shares of any class carrying limited voting rights or carrying voting rights by reason of the happening of any contingency whether or not such contingency shall have happened; if by reason of any such resolution any corporation or company (hereinafter called a “deemed subsidiary”) is deemed to be a subsidiary of the Company then any corporation or company of which more than fifty per cent (50%) of the outstanding voting shares are or shall at any time be owned by or held for a deemed subsidiary and/or any other corporation or company in like relation to a deemed subsidiary shall be deemed to be a subsidiary of the company and any other corporation or company in like relation to such a corporation or company shall also be deemed to be a subsidiary of the Company;

“Designated subsidiary” means The Monarch Knitting Company, Limited when such company becomes a subsidiary;

“Consolidated net earnings” as used herein means all the gross earnings and income of the Company and its subsidiary companies from all sources less all administrative, selling and operating charges and expenses of every character and all fixed charges of the Company and its subsidiary companies (but excluding gains or losses on the disposal of investments and fixed assets) arrived at on a consolidated basis in accordance with generally accepted accounting practice; without limitation of the generality of the foregoing, operating expenses shall include insurance, maintenance, repairs, renewals (except such expenditures for renewals as are charged to capital account in accordance with generally accepted accounting practice), rentals, licences, taxes (including taxes on income) and all interest, and such provisions for bad and doubtful debts as the directors in their discretion, with the approval of the Company’s auditors, may determine, and, in addition to actual expenditures for maintenance, reasonable allowance for depreciation; the net earnings of any subsidiary company for the purpose of this definition shall only include such part of the net earnings and income of such subsidiary company calculated as aforesaid as under generally accepted accounting practice is applicable to those shares of such subsidiary company which are held by the Company or any other subsidiary company; if any property or any shares of any other company (sufficient with any other shares of such other company already owned by the Company or a subsidiary company to result in such other company becoming a subsidiary company) are owned or are in process of being acquired (or are proposed to be acquired as incidental to the proposed issue of First Preference Shares) by the Company or any subsidiary company at the time of determining consolidated net earnings for any past period, and shall not have been owned by the Company or last mentioned subsidiary company during the whole of the period for which

consolidated net earnings are to be computed and if the net proceeds of the then proposed issue of First Preference Shares are to be applied directly or indirectly towards the cost of or in reimbursement of the cost of the acquisition of such property or shares as to which a resolution of the directors shall be conclusive and binding, then the net earnings or net losses of such property or such other company for the same past period (calculated in accordance with the provisions herein contained respecting consolidated net earnings) shall, if in the opinion of the Company's auditors the Company has access to data sufficient to enable such auditors to determine such net earnings or net losses, be treated as net earnings or net losses as the case may be in the computation of consolidated net earnings;

- (12) The approval of holders of the First Preference Shares as to any and all matters referred to herein (in addition to or as distinct from any vote or authorization required by The Corporations Act) may be given in writing by the holders of at least a majority of the outstanding First Preference Shares or by a resolution passed or confirmed or by a by-law confirmed at a meeting of holders of First Preference Shares duly called and held upon at least fifteen (15) days' notice at which the holders of at least a majority of the outstanding First Preference Shares are present or represented by proxy and carried by the affirmative vote of the holders of not less than two-thirds ($\frac{2}{3}$) of the First Preference Shares represented and voted at such meeting cast on a poll; if at any such meeting the holders of a majority of the outstanding First Preference Shares are not present or represented by proxy within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date being not less than twenty-one (21) days later and to such time and place as may be appointed by the chairman and at least fifteen (15) days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called; at such adjourned meeting the holders of First Preference Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative votes of the holders of not less than two-thirds ($\frac{2}{3}$) of the First Preference Shares represented and voted at such adjourned meeting cast on a poll shall constitute the approval of the holders of First Preference Shares referred to above; the formalities to be observed with respect to the giving of notice to any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the by-laws of the Company with respect to meetings of shareholders; on every poll taken at every such meeting or adjourned meeting every holder of First Preference Shares shall be entitled to one (1) vote in respect of each First Preference Share held;
- (13) No preference, right, condition, restriction, limitation or prohibition attaching to the First Preference Shares shall be deleted or varied and no preference shares ranking in priority to or on a parity with the First Preference Shares shall be created without the authorization of the holders of the First Preference Shares as required by subsection 4 of section 33 of The Corporations Act; and
- (14) The authorization required by subsection 4 of section 33 of The Corporations Act may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the First Preference Shares duly called for that purpose and held upon at least fifteen (15) days' notice at which the holders of at least a majority of the outstanding First Preference Shares are present or represented by proxy and carried by the affirmative vote of the holders of not less than two-thirds ($\frac{2}{3}$) of the First Preference Shares represented and voted at such meeting cast on a poll; if at any such meeting the holders of a majority of the outstanding First Preference Shares are not present or represented by proxy within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date being not less than twenty-one (21) days later and to such time and place as may be appointed by the chairman and at least fifteen (15) days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called; at such adjourned meeting the holders of First Preference Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative votes of the holders of not less than two-thirds ($\frac{2}{3}$) of the First Preference Shares represented and voted at such adjourned meeting cast on a poll shall constitute the authorization of the holders of First Preference Shares referred to above; the formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the by-laws of the Company with respect to meetings of shareholders; on every poll taken at every such meeting or adjourned meeting every holder of First Preference Shares shall be entitled to one (1) vote in respect of each First Preference Share held.

The holders of common shares are entitled to one vote per share.

9. No bonds or debentures of the Company are outstanding or proposed to be issued. The First Preference Shares will rank ahead of the securities offered by this prospectus.

10. No substantial indebtedness, not shown in the pro forma consolidated balance sheet as at September 30, 1963, forming part of this prospectus, is now intended to be created or assumed except obligations to be incurred in the ordinary course of the business and operations and on the general credit of the Company.

11. The Company proposes to issue share purchase warrants entitling the bearers thereof to purchase on or before the close of business on January 15, 1974 an aggregate of 117,500 common shares in the capital of the Company at a price of \$7.00 per share to and including January 15, 1969 and at a price of \$9.00 per share after January 15, 1969 and to and including January 15, 1974. The share purchase warrants will expire at the close of business on January 15, 1974. The share purchase warrants are to be issued under and pursuant to an indenture (hereinafter referred to as the "Warrant Indenture") to be dated as of January 2, 1964 and to be made between the Company and The Royal Trust Company, as Trustee. The Warrant Indenture will contain provisions for adjustment of the subscription price and number of shares issuable pursuant to the privilege attaching to the share purchase warrants in certain events, including a subdivision or consolidation of the common shares in the capital of the Company or any reorganization or reclassification of the share capital of the Company or the consolidation or merger of the Company with or into another corporation or the sale or transfer of its assets as a whole or substantially as a whole or in the event of the issue of any common shares for a consideration less than the subscription price in effect at the time of such issue.

The Company will covenant in the Warrant Indenture to give at least 30 days public notice to holders of unexercised share purchase warrants of the record date for payment of any stock dividend on its common shares and before issuing to its shareholders pro rata rights to subscribe for additional shares or making any repayment of capital on its common shares.

Each of the First Preference Shares is convertible by the holder at any time up to the close of business on the third business day prior to the date fixed for redemption of any such First Preference Share into fully paid and non-assessable common shares without par value in the capital of the Company on the basis described in paragraph 8 of this statutory information.

Except as hereinbefore stated, no securities of the Company are covered by options outstanding or proposed to be given by the Company.

12. The Company proposes to issue and sell 135,000 common shares in the capital of the Company and share purchase warrants entitling the bearers thereof to purchase an aggregate of 117,500 common shares in the capital of the Company. The said 135,000 common shares and 67,500 of the said 117,500 share purchase warrants will be offered to the public in units each consisting of 2 common shares and 1 share purchase warrant at an offering price of \$12.00 per unit. The offering price of the remaining 50,000 share purchase warrants is 6¢ per warrant. Reference is made to paragraph 16 hereof.

The Company made an offer, dated December 5, 1963, to the holders (other than residents of the United States of America or of any territory or possession thereof) of common shares in the capital of The Monarch Knitting Company, Limited (hereinafter referred to as "Monarch Knitting") to acquire all of such common shares held by them (including 7,000 common shares under options to 4 employees, two of whom were also directors of Monarch Knitting, which options were duly exercised) by the payment of \$8.00 in cash and the issue of one First Preference Share for each such common share. Pursuant to the said offer, the Company has acquired 157,826 common shares in the capital of Monarch Knitting and has paid therefor the sum of \$1,262,608 and issued 157,826 First Preference Shares. The time for acceptance of the said offer expired on January 24, 1964 but the Company may, in its discretion, accept common shares of Monarch Knitting which may be tendered after that date.

13. The estimated net proceeds to be derived by the Company from the sale of the 135,000 common shares and 117,500 share purchase warrants on the basis of the same being fully taken up and paid for are \$758,500, less legal, auditing and other expenses in connection with the issuance thereof and in connection with the incorporation of the Company and the offer to the holders of common shares of Monarch Knitting, which expenses are estimated at \$45,000.

14. The net proceeds to the Company from the sale by the Company of the securities referred to in paragraph 13 of this statutory information will be applied in reduction of a bank loan in the amount of \$1,112,608 which was incurred by the Company to enable it to defray the cash portion of the purchase price under the offer referred to in paragraph 12.

15. As not less than all of the 135,000 common shares and 117,500 share purchase warrants will be issued, no minimum amount, in the opinion of the directors, must be raised by the issue of the said securities to provide the sums required or the balance of the sums required to pay the purchase price of any property, to meet preliminary expenses or commissions payable by the Company, to repay moneys borrowed by the Company in respect of the foregoing matters or to repay bank loans.

16. By agreement dated November 29, 1963 and made between the Company and Annett & Company Limited, 220 Bay Street, Toronto, Ontario, acting on its own behalf as underwriter, the Company agreed to sell and Annett & Company Limited agreed to purchase, subject to the terms and conditions set out in the said agreement and compliance with the necessary legal formalities, 135,000 common shares in the capital of the Company and 117,500 share purchase warrants for an aggregate purchase price of \$758,500, payable in cash against delivery of certificates for the said common shares and share purchase warrants on or about February 7, 1964.

As stated in paragraph 12 hereof, the 135,000 common shares and 67,500 of the said 117,500 share purchase warrants are being offered in units each consisting of 2 common shares and 1 share purchase warrant. The remaining 50,000 share purchase warrants of the Company being purchased by the underwriter pursuant to the aforesaid agreement will be offered by the underwriter at a price of 6¢ per warrant.

17. The by-laws of the Company contain the following provisions with respect to the remuneration of directors.

"The remuneration (if any) to be paid to the directors shall be such as the Board of Directors shall from time to time determine. Any remuneration so payable to a director who is also an officer or employee of the Company or who is counsel or solicitor to the Company or otherwise serves it in a professional capacity shall be in addition to his salary or to his professional fees as the case may be. The Directors may also by resolution award special remuneration to any Director undertaking any special services, on the Company's behalf, other than the routine work ordinarily required of a Director of the Company, and may allow any Director who is an Officer of the Company a monthly allowance towards the maintenance and upkeep of an automobile and confirmation of any such resolution or resolutions by the shareholders shall not be required. The Directors shall also be entitled to be paid for travelling and other expenses properly incurred by them in connection with the affairs of the Company."

18. No remuneration was paid by the Company to any director or officer of the Company during the first financial year of the Company which ended on December 31, 1963. During the current financial year it is estimated that directors of the Company, as such, will receive remuneration at the rate of \$100 for each meeting of directors attended and that no officer of the Company will receive remuneration from the Company at a rate in excess of \$10,000 per annum. However, certain of the officers of the Company are also officers of Monarch Knitting and it is estimated that during the current financial year the remuneration to be paid by

Monarch Knitting to such of said officers who individually receive or may be entitled to receive remuneration in excess of \$10,000 is \$40,000. In addition, one of such officers is also entitled to receive an amount equal to 2½% of the net profits, before income taxes, of Monarch Knitting in excess of \$300,000 in each year.

19. Except as hereinafter stated, no commission has been paid or is payable by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of the Company. By agreement dated November 29, 1963 and made between the Company and Annett & Company Limited, Annett & Company Limited agreed to form a Soliciting Dealer Group to procure acceptance of the offer referred to in paragraph 12 of this statutory information other than from certain holders of an aggregate of approximately 120,000 common shares of Monarch Knitting who had agreed with the Company to accept such offer. On all other common shares of Monarch Knitting in respect of which acceptance of the offer was or is procured through a member of the Soliciting Dealer Group (as evidenced by the name of such member on the letter of transmittal), the Company agreed to pay such member a fee of 30¢ per share. An aggregate of \$4,733.40 is payable by the Company pursuant to the said agreement.

20. The Company has not been carrying on business for more than one year, and the estimated amount of preliminary expenses is \$20,000.

21. & 22. Pursuant to the offer referred to in paragraph 12 of this statutory information, the Company has acquired 157,826 common shares in the capital of Monarch Knitting for a consideration of \$1,262,608 in cash and the issue of 157,826 First Preference Shares in the capital of the Company. There were more than 25 shareholders of common shares of Monarch Knitting and the only persons who held more than 10% of the outstanding common shares of Monarch Knitting at the date said offer was made, as disclosed by the list of holders of common shares of Monarch Knitting, were Bansco & Co., 44 King Street West, Toronto, Ontario, Lake & Co., King and Bay Streets, Toronto, Ontario, and Verban Limited, c/o G. F. Leaver, 702 Weston Road, Suite 201, Toronto, Ontario.

23. The Company has issued 157,826 First Preference Shares in connection with the offer referred to in paragraph 12 of this statutory information and may issue additional First Preference Shares in the event it elects to accept any common shares of Monarch Knitting which may be tendered after January 24, 1964.

24. No obligations are offered by this prospectus.

25. No services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the issue of the securities offered by this prospectus except legal, auditing and other services in connection with the issue of the said securities, and in connection with the incorporation of the Company and the offer to the common shareholders of Monarch Knitting. No services have been rendered to the Company within the two years preceding the date of this prospectus which have been or are to be paid for by securities of the Company.

26. Nothing has been paid since incorporation or is intended to be paid to any promoter.

27. The Company has not entered into any material contracts since incorporation other than contracts entered into in the ordinary course of the business carried on or intended to be carried on by the Company, except the agreements referred to in paragraphs 16 and 19 of this statutory information.

A copy of the said agreements and, when entered into, the Warrant Indenture referred to in paragraph 11 of this statutory information may be inspected at the head office of the Company at 25 Adelaide Street West, Toronto, Ontario, during ordinary business hours during the course of primary distribution of the securities offered by this prospectus.

28. Following its incorporation, the Company issued and sold an aggregate of 50,000 common shares at a price of \$3.00 per share, of which 21,000 were purchased by Annett & Company Limited, 12,000 were purchased by G. W. Siddall Limited, 1,000 were purchased by Roy Alfred Kennedy, a director and officer of the Company, and 200 were purchased by John P. Bassel, a director and officer of the Company. Douglas R. Annett, a director and officer of the Company, is a director, officer and the largest shareholder of Annett & Company Limited, which company has also entered into the agreements with the Company referred to in paragraphs 16 and 19 of this statutory information. George William Siddall, a director and officer of the Company, is a director, officer and shareholder of G. W. Siddall Limited. John P. Bassel, a director and shareholder of the Company, was the holder of common shares of Monarch Knitting which he deposited in acceptance of the offer referred to in paragraph 12 of this statutory information. He is also partner in the firm of Bassel, Sullivan, Holland & Lawson, which firm will be paid legal fees in connection with the formation of the Company, the offer to the holders of common shares of Monarch Knitting and the issue by the Company of the securities offered by this prospectus. John William Blain, a director of the Company, is a partner in the firm of McCarthy & McCarthy, which firm will be paid legal fees in connection with the issue of the securities offered by this prospectus.

Kasimir Ludwig Markon, a director and Chairman of the Board of the Company, is a director, officer and shareholder of Lismar Holdings Limited which owned more than 10% of the common shares in the capital of Monarch Knitting which it deposited in acceptance of the said offer. The common shares owned by Lismar Holdings Limited were registered on the books of Monarch Knitting in the name of Lake & Co. Charles Fowler William Burns, a director of the Company, was the owner of common shares in the capital of Monarch Knitting which he deposited in acceptance of the said offer.

29. The Company has carried on business only since its incorporation on November 1, 1963. The business of Monarch Knitting has been carried on for more than three years.

30. Annett & Company Limited and its associates may be in a position to elect or cause to be elected a majority of the directors of the Company.

31. No securities of the Company are held in escrow.

32. No dividends have been paid by the Company.

33. There are no other material facts not disclosed in the foregoing.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by Section 39 of The Securities Act (1954) Saskatchewan, by Section 13 of The Security Frauds Prevention Act (New Brunswick), by Part IX of The Securities Act (Alberta), by The Securities Act of the Province of British Columbia and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

DATED this 27th day of January, 1964.

Directors

(signed) D. R. ANNETT

(signed) K. L. MARKON

(signed) G. W. SIDDALL

(signed) J. W. BLAIN

(signed) J. P. BASSEL

(signed) R. A. KENNEDY

(signed) C. F. W. BURNS

By his agent authorized
in writing
J. P. BASSEL

(signed) A. SACHS

By his agent authorized
in writing
J. P. BASSEL

(signed) E. C. KERR

By his agent authorized
in writing
D. R. ANNETT

Underwriter

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by Section 39 of The Securities Act (1954) Saskatchewan, by Section 13 of The Security Frauds Prevention Act (New Brunswick), by Part IX of The Securities Act (Alberta), by The Securities Act of the Province of British Columbia and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

ANNETT & COMPANY LIMITED

by (signed) T. A. W. DUNCAN.

The following are the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of Annett & Company Limited: D. R. Annett, C. G. King, J. W. Annett, T. A. W. Duncan, E. J. Allman and J. A. M. Belshaw.

8. HEAD OFFICE

The head office of the Company is located at 25 Adelaide Street West, Toronto, Ontario.

9. TRANSFER AGENTS AND REGISTRARS

The Royal Trust Company at its stock transfer offices in the Cities of Toronto and Montreal is the Transfer Agent and Registrar for the common shares in the capital of the Company. Canada Permanent Trust Company at its stock transfer offices in the Cities of Toronto and Montreal is the Transfer Agent and Registrar for the 5½ % Cumulative Redeemable Convertible First Preference Shares in the capital of the Company.

10. TRANSFER FEES

No fee is charged on the transfer of the shares of the Company other than customary stock transfer taxes.

11. AUDITORS

The auditors of the Company are Messrs. Winspear, Higgins, Stevenson and Doane, Chartered Accountants, 36 Toronto Street, Toronto, Ontario.

12. DIRECTORS AND OFFICERS

OFFICE HELD	NAME	ADDRESS
Chairman of the Board and Director	Kasimir Ludwig Markon	500 Avenue Road, Toronto, Ontario.
President and Director	Douglas Rudyard Annett	80 Glengrove Avenue W., Toronto, Ontario.
Executive Vice-President and Director	Roy Alfred Kennedy	26 Edenbridge Drive, Toronto, Ontario.
Vice-President, Treasurer and Director	George William Siddall	53 Prince George Drive, Toronto, Ontario.
Secretary and Director	John Peter Bassel	287 Forest Hill Road, Toronto, Ontario.
Director	John William Blain	81 Golfdale Road, Toronto, Ontario.
Director	Charles Fowler William Burns	R.R. No. 3, King, Ontario.
Director	Edward Clive Kerr	4540 Prince of Wales Avenue, Montreal, Quebec.
Director	Alexander Sachs	1200 Fifth Avenue, New York, New York.
Assistant Treasurer	Matthew Gaasenbeek	242 Homewood Avenue, Willowdale, Ontario.

CERTIFICATE

Pursuant to a resolution duly passed by its Board, the applicant Company hereby makes application for listing of the above mentioned securities on The Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

MONTEX HOLDINGS LIMITED

"D. R. ANNETT", President.

"J. P. BASSEL", Secretary



STATEMENT SHOWING NUMBER OF SHAREHOLDERS

Distribution of First Preference Shares as of February 21st, 1964

Number					Shares
72	Holders of	1	—	100 share lots	3,728
28	"	"	101	— 200 "	4,710
3	"	"	201	— 300 "	867
1	"	"	301	— 400 "	301
3	"	"	401	— 500 "	1,435
9	"	"	501	— 1000 "	7,825
17	"	"	1001	— up "	139,051
133	Stockholders			Total shares	157,917

Distribution of Common Shares as of February 21st, 1964

Number					Shares
19	Holders of	1	—	99 share lots	735
42	"	"	100	— 199 "	4,270
80	"	"	200	— 299 "	16,003
6	"	"	300	— 399 "	1,800
17	"	"	400	— 499 "	6,800
9	"	"	500	— 999 "	5,400
19	"	"	1000	— up "	150,001
192	Shareholders			Total shares	185,009

